

AMENDED IN SENATE JULY 12, 2011

AMENDED IN SENATE JUNE 27, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 597

Introduced by Assembly Member Eng

February 16, 2011

An act to add Division 22 (commencing with Section 70000) to the Financial Code, relating to financial literacy.

LEGISLATIVE COUNSEL'S DIGEST

AB 597, as amended, Eng. California Financial Literacy Fund.

The California Constitution requires the Legislature to encourage the promotion of intellectual improvement. Existing law regulates financial institutions and their interactions with the public. Existing law recognizes the existence of specialized financial institutions that provide services, including, but not limited to, financial literacy training, to underserved communities.

This bill would establish the California Financial Literacy Fund in the State Treasury for the purpose of enabling partnerships with the financial services community and governmental and nongovernmental stakeholders to improve Californians' financial literacy. The bill would require the fund to be administered by the Controller and would authorize the Controller to deposit private donations into the fund. The bill would require those moneys to be made available upon appropriation in the annual Budget Act and would require donations to be returned to contributors if not appropriated within 18 months. The bill would authorize the Controller to convene an advisory committee to provide additional oversight of the fund and develop strategies to improve

financial literacy. The bill would prohibit use of donations to promote or market the financial products of any contributor. The bill would require the Controller, beginning in 2013, to provide an annual summary to specified committees of the Legislature on the use of those moneys appropriated from the fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Division 22 (commencing with Section 70000)
2 is added to the Financial Code, to read:

3
4 DIVISION 22. CALIFORNIA FINANCIAL LITERACY
5 FUND
6

7 70000. For purposes of this division, “fund” means the
8 California Financial Literacy Fund.

9 70001. (a) The California Financial Literacy Fund is hereby
10 established in the State Treasury. The fund shall be administered
11 by the Controller.

12 (b) The purpose of the fund is to enable partnerships with the
13 financial services community and governmental and
14 nongovernmental stakeholders to improve Californians’ financial
15 literacy.

16 (c) Funds not appropriated within 18 months of being
17 contributed to the fund shall be returned in full to the contributor.

18 70002. The Controller may accept private donations and deposit
19 those donations into the fund, which shall be made available upon
20 appropriation in the annual Budget Act. Donations shall not be
21 used to promote or market the financial products of any contributor.

22 70003. The Controller may convene a financial literacy
23 advisory committee to provide additional oversight of the fund
24 and develop strategies to improve financial literacy. If convened,
25 the committee shall comply with the Bagley-Keene Open Meeting
26 Act (Article 9 (commencing with Section 11120) of Chapter 1 of
27 Part 1 of Division 3 of Title 2 of the Government Code).

28 70004. Beginning in 2013, the Controller shall provide to the
29 respective chairpersons of the Assembly Committee on Banking
30 and Finance and the Senate Committee on Banking and Financial

1 Institutions a brief annual summary on the use of the funds, when
2 appropriated. This summary shall be submitted no later than August
3 30 of each year.

4 *SEC. 2. The Legislature finds and declares that contributions*
5 *to the California Financial Literacy Fund established by this act*
6 *are made for a public purpose. It is the intent of the Legislature*
7 *that contributions should be eligible to be claimed as deductible*
8 *charitable contributions to the extent otherwise allowable under*
9 *federal income tax law and California income tax and franchise*
10 *tax law, subject to recapture if the contribution is subsequently*
11 *returned by the state.*